



**AFRICAN DEVELOPMENT BANK
AFRICAN DEVELOPMENT FUND**



**STANDARD LETTER OF INVITATION
TO CONSULTANTS**

(Price Shall Not be a Selection Factor)

PREFACE

This Standard Letter of Invitation or Request for Proposals document prepared by the African Development Bank Group is intended to fulfill the objectives of paragraph 3.7.2 of the Rules of Procedure for the Use of Consultants, December 1996 edition:

“The Request for Proposals shall contain; the Letter of Invitation, Instructions to Offerors, the Terms of Reference and the Contract Format. Except for the Terms of Reference, which are prepared by the Borrower with the Bank's approval, the Bank has standard documents which are an integral part of the Request for Proposals documents. The Borrower shall utilize these standard documents with the minimum of modifications acceptable to the Bank as necessary to address country and project specific issues.

Users of this document should ensure the above requirements are complied with.

Procurement under projects financed by the African Development Bank Group is carried out in accordance with the policies and procedures laid down in the Rules of Procedure for the Use of Consultants (Rules). The procedures and practices presented in this document have been developed through broad international experience, and are mandatory for use in projects that are financed in whole or in part by the African Development Bank Group in accordance with the provisions of the Rules. They are intended for use by Borrowers in the acquisition of the services of consultants.

The contents of each LOI are as follows:

Letter of Invitation (LOI)

LOI Data Sheet

Attachments:

Terms of Reference

Draft Form of Contract

Appendix 1 - Formats for Technical Proposals

Appendix 2 - Formats for Financial Proposals

To obtain further information on procurement under Bank Group-assisted projects contact:

Procurement Monitoring and Consulting Services Unit
African Development Bank
Avenue Joseph Anoma
01 B. P. 1387
Abidjan
Cote D'Ivoire
Facsimile: (225) 204 907

Standard Letter of Invitation (LOI)
(Price Shall Not be a Selection Factor)

Dear *[Name of Consultants]*

Re: Proposal for Consulting Services, Letter of Invitation (LOI)

1. INTRODUCTION

1.1 You are hereby invited to submit a technical proposal for consulting services required for the Assignment named in the attached LOI Data Sheet (referred to as “Data Sheet”). Your proposal could form the basis for future negotiations and ultimately a contract between your firm and the Client named in the Data Sheet.

1.2 A brief description of the Assignment and its objectives are given in the Data Sheet.

1.3 The Assignment shall be implemented in accordance with the phasing indicated in the Data Sheet. When the Assignment includes several phases, continuation of services for the next phase shall be subject to satisfactory performance of the previous phase, as determined by the Client.

1.4 The Client has received (applied for) a loan (or grant) from the African Development Bank Group hereinafter called "the Bank" in various currencies towards the cost of the Assignment, and intends to apply the proceeds of this loan (grant) to eligible payments under the contract for which this LOI is issued.

1.5 To obtain first-hand information on the Assignment and on the local conditions, you are encouraged to pay a visit to the Client before submitting a proposal and attend a pre-proposal conference if specified in the Data Sheet. Your representative shall meet the officials named in the Data Sheet. Please ensure that these officials are advised of the visit in adequate time to allow them to make appropriate arrangements. You shall fully inform yourself of local conditions and take them into account in preparing your proposal.

1.6 The Client shall provide the inputs specified in the Data Sheet, assist the Consultants in obtaining licenses and permits needed to carry out the services, and make available relevant project data and reports.

1.7 Please note that (i) the costs of preparing the proposal and of negotiating the contract, including a visit to the Client, are not reimbursable as a direct cost of the Assignment; and (ii) the Client is not bound to accept any of the proposals submitted.

1.8 An invitation to submit proposals has been sent to the firms stated in the Data Sheet.

1.9 We wish to remind you that in order to avoid conflicts of interest, (i) any firm providing goods, works, or services with which you are affiliated or associated is not eligible to participate in bidding for any goods, works, or services (other than the Services and any continuation thereof) resulting from or associated with the project of which this Assignment forms a part; and (ii) any previous or ongoing participation with the project by your firm, its professional staff, or its affiliates or associates under a contract with the Bank may result in rejection of your proposal. You should clarify your situation in that respect with the Client before preparing the proposal.

2. DOCUMENTS

2.1 To prepare a proposal, please use the attached Documents listed in the Data Sheet.

2.2 Consultants requiring a clarification of the Documents must notify the Client, in writing, not later than thirty (30) days before the proposal submission date. Any request for clarification in writing, or by cable, telex or telefax shall be sent to the Client's address indicated in the Data Sheet. The Client shall respond by cable, telex or telefax to such requests, and copies of the response will be sent to all invited Consultants.

2.3 At any time before the submission of proposals, the Client may, for any reason, whether at its own initiative or in response to a clarification requested by an invited consulting firm, modify the Documents by amendment. The amendment shall be sent in writing or by cable, telex or telefax to all invited consulting firms and will be binding on them. The Client may at its discretion extend the deadline for the submission of proposals.

3. PREPARATION OF PROPOSAL

3.1 You are requested to submit a technical and a financial proposal. Your proposal shall be written in the language specified in the Data Sheet.

Technical Proposal

3.2 In preparing the technical proposal, you are expected to examine all terms and instructions included in the Documents. Failure to provide all requested information shall be at your own risk and may result in rejection of your proposal.

3.3 During preparation of the technical proposal, you must give particular attention to the following:

- i) A firm that has not been shortlisted cannot associate with a consulting firm on the shortlist to provide the requested services.
- ii) Subcontracting part of the Assignment to domestic consultants is considered desirable; the same subconsultant may be included in several proposals, subject to limitations in the Data Sheet. Subcontracting costs may not exceed

25 percent of the total proposed contract price. Subconsultants shall satisfy the conditions of eligibility required by the Bank.

- iii) The estimated budget for the Assignment is stated in the Data Sheet, your financial proposal for the Assignment should be substantially in accordance with the budget.
- iv) The majority of the key professional staff proposed shall be permanent employees of the firm, unless otherwise indicated in the Data Sheet.
- v) Proposed staff must have experience outside their own country, preferably under conditions similar to those prevailing in the country of the Assignment.
- vi) No alternative to key professional staff may be proposed and only one curriculum vitae (CV) may be submitted for each position.
- vii) Study reports shall be in the Language(s) specified in the Data Sheet. Working knowledge of the national language by the firm's personnel is recommended.

3.4 Your technical proposal shall provide the following and any additional information, using the formats attached in Appendix 1:

- i) A brief description of the Consultant's organization and an outline of recent experience on assignments of a similar nature. For each assignment, the outline should indicate, inter alia, the profiles of the staff provided, duration, contract amount and firm involvement.
- ii) Any comments or suggestions on the TOR, and a description of the methodology (work plan) the Consultants propose to execute the services, illustrated with bar charts of activities, and the graphics of the Critical Path Method (CPM) or Program Evaluation Review Technique (PERT) type, if appropriate.
- iii) The composition of the proposed staff team, the tasks that would be assigned to each, and their timing.
- iv) CVs recently signed by the proposed key professional staff or an authorized manager in the home office. Key information shall include number of years with the firm, and degree of responsibility held in various assignments during the last ten (10) years.
- v) Estimates of the total time effort (person x months) to be provided to carry out the Assignments, supported by bar chart diagrams showing the time proposed (person x months) for each professional staff member.
- vi) The Consultant's comments, if any, on the data, services and facilities to be provided by the Client and indicated in the TOR.

- vii) If the Data Sheet specifies training as a major component of the Assignment, the proposal should include a detailed description of the proposed methodology, staffing, budget and monitoring.

3.5 The technical proposal shall not include any financial information.

Financial Proposal

3.6 The financial proposal should list the costs associated with the Assignment. These normally cover remuneration for staff (foreign and local, in the field and at headquarters), subsistence (per diem, housing), transportation (international and local, for mobilization and demobilization), services and equipment (vehicles, office equipment, furniture and supplies), printing of documents, surveys. These costs should be broken into foreign and local costs. Your financial proposal should be prepared using the formats attached in Appendix 2.

3.7 The financial proposal shall take into account the tax liability and cost of insurances specified in the Data Sheet.

3.8 Costs may be expressed in the currency of any member country of the Bank.

4. SUBMISSION OF PROPOSALS

4.1 You shall submit one original technical proposal and one original financial proposal and the number of copies of each indicated in the Data Sheet. Each proposal shall be in a separate envelope indicating original or copy, as appropriate. All technical proposals shall be placed in an envelope clearly marked "Technical Proposal" and the financial proposals in one marked "Financial Proposal". These two envelopes, in turn, shall be placed in an outer envelope bearing the address and information indicated in the Data Sheet. The envelope shall be clearly marked:

“DO NOT OPEN, EXCEPT IN PRESENCE OF THE EVALUATION COMMITTEE.”

4.2 In the event of any discrepancy between the copies of the proposals, the original shall govern. The original and each copy of the technical proposal shall be prepared in indelible ink and shall be signed by the Consultant’s authorized representative. The representative’s authorization shall be confirmed by a written power of attorney accompanying the proposals. All pages of the technical proposal shall be initialed by the person or persons signing the proposal.

4.3 The proposal shall contain no interlineation or overwriting except as necessary to correct errors made by the Consultants themselves. Any such corrections shall be initialed by the person or persons signing the proposal.

4.4 The completed technical proposal shall be delivered on or before the time and date stated in the Data Sheet.

4.5 The proposal shall be valid for the number of days stated in the Data Sheet from the date of its submission. During this period, you shall keep available the professional staff proposed for the assignment. The Client shall make its best effort to complete negotiations at the location stated in the Data Sheet within this period.

5. WITHDRAWAL OF PROPOSALS

5.1 Proposals may be withdrawn by written or telegraphic notice received at any time prior to award. Proposals may be withdrawn in person by a proposer or his authorized representative, provided his identity is made known and he signs a receipt for the withdrawal of the offer prior to award.

6. MODIFICATION OF PROPOSALS

6.1 Except as otherwise decided by the Client, modifications to proposals must be received not later than the closing date and time specified for receipt of proposals made in response to the letter of invitation (request for proposal). Modifications must be made by written or telegraphic notice which clearly identifies the proposals being modified, the nature of the modification, the reference of the letter of invitation as well as the closing date and time for receipt of proposals. Modifications must be delivered in writing to the office designated for receipt of proposals with the reason(s) for the modifications.

7. PROPOSAL EVALUATION

7.1 The evaluation committee appointed by the Client shall carry out its technical evaluation, applying the evaluation criteria and point system specified in the Data Sheet. Each responsive proposal shall be given a technical score.

8. NEGOTIATIONS

8.1 Prior to the expiration of proposal validity, the Client shall notify the successful Consultant that submitted the highest scoring technical proposal by registered letter, cable, telex or facsimile and invite it to submit a financial proposal and negotiate the Contract.

8.2 Negotiations normally take from two to five days. The aim is to reach agreement on all points and initial a draft contract by the conclusion of negotiations.

8.3 Negotiations shall commence with a discussion of your technical proposal, the proposed methodology (work plan), staffing and any suggestions you may have made to improve the TOR. Agreement shall then be reached on the final TOR, the staffing, and the bar charts, which shall indicate activities, staff, periods in the field and in the home office,

staff months, logistics and reporting. Special attention shall be paid to optimizing the required outputs from the Consultants within the available budget and to defining clearly the inputs required from the Client to ensure satisfactory implementation of the Assignment.

8.4 Changes agreed upon shall then be reflected in the financial proposal, using proposed units rates (no negotiation of the staff month rates).

8.5 Having selected Consultants on the basis of, among other things, an evaluation of proposed key professional staff, the Client expects to negotiate a contract on the basis of the staff named in the proposal. Prior to contract negotiations, the Client shall require assurances that these staff members shall be actually available. The Client shall not consider substitutions during contract negotiations except in cases of unexpected delays in the starting date or incapacity of key professional staff for reasons of health.

8.6 The negotiations shall be concluded with a review of the draft form of Contract. The Client and the Consultants shall finalize the contract to conclude negotiations. If negotiations fail, the Client shall invite the Consultants that received the second-highest score to contract negotiations.

9. AWARD OF CONTRACT

9.1 The contract shall be awarded after successful negotiations with the successful Consultants. Upon successful completion of the negotiations, the Client shall promptly inform the other Consultants that their proposals have not been selected and shall return any financial proposals unopened.

9.2 The selected Consultant is expected to commence the Assignment on the date and at the location specified in the Data Sheet.

10. CONFIRMATION OF RECEIPT

10.1 Please inform the Client by telex/facsimile;

- i) that you received the letter of invitation;
- ii) whether you will submit a proposal; and
- iii) if you plan to submit a proposal, when and how you will transmit it.

11. CORRUPT OR FRAUDULENT PRACTICES

11.1 The Bank requires that Borrowers (including beneficiaries of Bank Loans), as well as Bidders/Suppliers/Contractors under Bank financed contracts, observe the highest standard of ethics during the procurement and executions of such contracts. In pursuance of this

policy, the Bank:

-
- a) defines, for the purposes of this provision, the terms set forth below as follows:
- i) "corrupt practice" means the offering, giving, receiving or soliciting of any thing of value to influence the action of a public official in the procurement process or in contract execution: and
 - ii) "fraudulent practice" means a misrepresentation of facts in order to influence a procurement process or the execution of a contract to the detriment of the Borrower, and includes collusive practice among Bidders (prior to or after bid submission) designed to establish bid prices at artificial non-competitive levels and to deprive the Borrower of the benefits of free and open competition;
- b) will reject a proposal for award if its "no objection" has been requested or issued on the basis of incomplete, inaccurate or misleading information furnished by the Borrower, or it is established, by a decision of a court of law, or following a special audit, that the contract was awarded on the basis of corrupt practices. In that event the bidder may also be sanctioned by curtailing its participation on Bank funded projects for a specified period of time determined by the Bank.

Letter of Invitation (LOI)
(Where Price Shall Not be a Selection Factor)

LOI DATA SHEET

LOI Clause #

1.1 The name of the Assignment is: _____

The name of the Client is: _____

1.2 The description and the objectives of the Assignment are: _____

1.3 Phasing of the Assignment (if any): _____

1.5 Pre-Proposal Conference: Yes ___ No ___ If yes, indicate date, time and venue.
The name(s) and address(es) of the Official(s) is(are): _____

1.6 The Client shall provide the following inputs: _____

1.8 The invited firms are: _____

2.1 The Documents are: *[TOR, Contract, Appendices etc.]* _____

2.2 The address is _____

- 3.1 The language is: _____
- 3.3 i) The same subconsultant may participate in several proposals. Yes ___
No ___
- ii) Majority of key proposed staff to be permanent employees of the
Consultants: Yes ___No ___
- iii) Reports must be written in the following language(s): _____

- 3.4 vii) Training is an important feature of this Assignment: Yes ___No ___
- 4.1 The number of copies of the proposal required is: _____
- The address is: _____

- Cable: _____
Telex: _____
Facsimile: _____
- The information is: _____
- 4.4 The date and time of proposal submission are: _____
- 4.5 Validity period (days, date): _____
- The location is: _____

7.1	The points given to evaluation criteria are:	<u>Points</u>
	i) Specific experience of the firm related to the Assignment	_____
	ii) Adequacy of the proposed work plan and methodology in responding to the TOR	_____
	iii) Qualifications and competence of the key staff for the Assignment	_____
	iv) Suitability of the skills transfer program (training)	_____
	v) Other	_____
	Total:	100

The points given to evaluation subcriteria for qualifications of staff are:

	<u>Points</u>
General qualifications	_____
Adequacy for the project	_____
Experience & language in region	_____
Total:	100

8.4 Financial negotiation: See addendum

9.2 Commencement of Assignment (date, location): _____

Sincerely,

[Name of Client]

Attachments:

1. Terms of Reference (TOR)
2. Draft Form of Contract
3. Appendix 1 - Format for Technical Proposals
4. Appendix 2 - Format for Financial Proposals

Financial Negotiations

(Addendum)

1. REVIEW OF MONTHLY RATES

The monthly rates for staff are made up of salary, social costs, overhead, fee or profit, and any premium or allowance paid for overseas assignments. To assist you in preparing financial negotiations, sample forms giving a breakdown of rates are given in the draft Form of the Contract attached to the Data Sheet (no financial information should be submitted with your technical proposal). Agreed breakdown sheets shall form part of the negotiated contract.

The Client is charged with the custody of government funds and is expected to exercise prudence in the expenditure of these funds. The Client is, therefore, concerned with the reasonableness of a firm's financial proposal, and, during negotiations, it expects to be able to review audited financial statements backing up a consultant's monthly rates, certified by an independent auditor. Consultants submitting proposals shall be prepared to disclose such audited financial statements for the last three (3) years, to substantiate their monthly rates, and the consultants shall accept that their proposed rates and other financial matters are subject to scrutiny. Monthly rate details are discussed below.

i) Salary

This is the gross regular cash salary paid to the individual in the firm's home office. It shall not contain any premium for overseas work or bonus (except where these are included by law or government regulations).

ii) Bonus

Bonuses are normally paid out of profits. Because the Client does not wish to make double payments for the same item, staff bonuses shall not normally be included in the monthly rates. Where the consultants' accounting system is such that the percentage of social costs and overhead is based on total revenue-earning, including bonuses, that percentage shall be adjusted downward accordingly. Where national policy requires that 13 months' pay be given for 12 months' work, the profit element need not be adjusted downward. Any discussions on bonuses shall be supported by audited documentation, which shall be treated as confidential.

iii) Social Costs

These are the costs to the consultants of staff's non-monetary benefits. These items include, inter alia, pension, medical and life insurance costs, and the cost of a staff member being sick or on vacation. In this regard, the leave cost for public holidays is not an acceptable social cost, nor is leave taken during an assignment, if no additional staff replacement has been provided. Additional leave, taken at the end of an assignment in accordance with the consultants' leave policy is acceptable as a social cost.

iv) Cost of Leave

The principles of calculating the cost of leave as a percentage of basic salary shall normally be as follows:

$$\text{Leave cost as percentage of salary} = \frac{\text{Days of leave} \times 100}{365 - \text{weekends} - \text{public holidays} - \text{days leave (vacation \& sick)}/\text{year}}$$

It is important to note that leave can be considered a social cost only if the Client is not charged for the leave taken.

v) Overhead

Overhead expenses are the consultant's business costs that are not directly related to the execution of the assignment and shall not be reimbursed as separate items under the contract. Typical items are home office costs (partner's time, nonbillable time, time of senior staff monitoring the project, rent, support staff, research, staff training, etc.), the cost of staff not currently employed on revenue-earning projects, and business promotion costs. During negotiations, audited financial statements, certified as correct by an independent auditor and supporting the last three years' overhead, shall be available for discussion, together with detailed lists of items making up the overhead and the percentage by which each relates to basic salary. The Client does not accept an add-on margin for social charges, overhead expenses, etc., for staff who are not permanent employees of the consultants. In such case, the consultants shall be entitled only to administrative costs and fee on the monthly payments charged for sub-contracted staff.

vi) Fee or Profit

The fee or profit shall be based on the sum of the salary, social costs and overhead. If any bonuses paid on a regular basis are listed, a corresponding reduction in the profit element shall be expected. Fee or profit shall not be allowed on travel or other reimbursable expenses, unless in the latter case an unusually large amount of procurement of equipment is required. Consultants shall note that payments shall be made against an agreed estimated payment schedule as described in the draft form of contract.

vii) Overseas Allowance or Premium

Some consultants pay overseas allowances to staff working overseas. Such allowances are calculated as a percentage of salary and shall not draw overhead or profit. Sometimes, by law, overseas allowances draw some social costs. In this case, the amount of this social cost shall still be shown under social costs, with the net overseas allowance shown separately. For concerned staff, this allowance, where paid, shall cover home education, etc.; these and similar items shall not be considered as reimbursable costs.

viii) Subsistence Allowances

Subsistence allowances are not included in the monthly rates, but are paid separately and in local currency. No additional subsistence is payable for dependents—the subsistence rate shall be the same for married and single team members.

Subsistence allowances are usually related to prevailing UNDP standard rates for the particular country.

2. REIMBURSABLES

The financial negotiations shall further focus on such items as out-of-pocket expenses and other reimbursables. These costs may include, but are not restricted to, cost of surveys, equipment, office rent, supplies, international and local travel, computer rent, mobilization and demobilization, insurance, printing, etc. These costs may be either fixed or reimbursable in foreign and local currency.

3. BANK GUARANTEE

The consultant shall note that the contract for this Assignment shall be with the Client. Payments to the consultants, including payment of any advance based on cash flow projections covered by a bank guarantee shall be made in accordance with an agreed estimated schedule ensuring the consultants regular payments in local and foreign currency, as long as the services proceed as planned.

Appendix 1. Formats For Technical Proposal

Technical Proposal

FROM:

TO:

Sir/Madam:

Subject: Hiring of Consultancy Service for

Regarding Technical Proposal

I/We _____ Consultant/Consultancy firm herewith enclose a Technical Proposal for selection of my/our firm/organization as Consultant for _____.

Yours faithfully,

Signature _____
(Authorized Representative)

Full Name _____
Designation _____
Address _____

Firm's References

Relevant Services Carried Out in the Last Five Years Which Best Illustrate Qualifications

Using in the format below, provide information on each reference assignment for which your firm, either individually as a corporate entity or as one of the major companies within a consortium, was legally contracted.

Assignment Name:		Country:
Location within Country:		Professional Staff Provided by Your Firm:
Name of Client:		N ^o of Staff:
Address:		N ^o of Staff Months:
Start Date (Month/Year):	Completion Date (Month/Year):	Approx. Value of Services (in Current USD):
Name of Associated Firm(s), if any:		N ^o of Months of Professional Staff Provided by Associated Firm(s):
Name of Senior Staff (Project Director/Coordinator, Team Leader) involved and functions performed:		
Narrative Description of Project:		
Description of Actual Services Provided by Your Staff:		

Consultants' Name:

**Approach Paper on Methodology Proposed for Performing the
Assignment**

Comments/Suggestions of Consultant

On the Terms of Reference (TOR):

- 1.
 - 2.
 - 3.
 - 4.
 - 5.
- etc.

On the data, services and facilities to be provided by the Client indicated in the TOR:

- 1.
 - 2.
 - 3.
 - 4.
 - 5.
- etc.

Format of Curriculum Vitae (CV) For Proposed Key Staff

Proposed Position: _____

Name of Firm: _____

Name of Staff: _____

Profession: _____

Date of Birth: _____

Years with Firm: _____ Nationality: _____

Membership in Professional Societies: _____

Detailed Tasks Assigned: _____

Key Qualifications:

[Give an outline of staff member's experience and training most pertinent to tasks on assignment. Describe *degree of responsibility held* by staff member on relevant previous assignments and give dates and locations. Use up to half a page.]

Education:

[Summarize college/university and other specialized education of staff member, giving names of schools, dates attended and degrees obtained. Use up to a quarter page.]

Employment Record:

[Starting with present position, list in reverse order every employment held. List all positions held by staff member since graduation, giving dates, names of employing organization, title of positions held and location of assignments. For experience in *last ten years*, also give types of activities performed and client references, where appropriate. Use up to three-quarters of a page.]

Languages:

[Indicate proficiency in speaking, reading and writing of each language: excellent, good, fair, or poor.]

Certification:

I, the undersigned, certify that to the best of my knowledge and belief, these biodata correctly describe myself, my qualifications and my experience.

Signature of Staff Member or authorized official **Date:** _____
from the firm
Day/Month/Year
or

Work Plan and Time Schedule for Key Personnel

Name	Position	Reports Due/Activities	Months (in the form of a Bar Chart)												Number of Months
			1	2	3	4	5	6	7	8	9	10	11	12	
															Subtotal (1)
															Subtotal (2)
															Subtotal (3)
															Subtotal (4)

Full Time: _____
 Part Time: _____

Reports Due: _____
 Activities Duration: _____

Yours faithfully,

Signature _____
 (Authorized Representative)

Full Name _____
 Designation _____
 Address _____

Composition of the Team and the Tasks that would be Assigned to each Team Member

1. Technical/Managerial Staff

Name	Position	Task Assignment

2. Support Staff

Name	Position	Task Assignment

Work Plan/Time Schedule

1. Field Investigation

Items of Work/Activities	Monthly Program from date of assignment (in the form of a Bar Chart)											
	1	2	3	4	5	6	7	8	9	10	11	12

2. Completion and Submission of Reports (as indicated under Appendix B enclosed with General Conditions of Contract)

Reports	Date
1. Inception Report	
2. Interim Progress Report	
(a) First Status Report	
(b) Second Status Report	
3. Draft Report	
4. Final Report	

Appendix 2. Formats for Financial Proposals

Financial Proposal

FROM:

TO:

Sir/Madam:

Subject: Hiring of Consultancy Service for

Regarding Price Proposal

I/We _____ Consultant/Consultancy firm herewith enclose the Price Proposal of my/our firm/organization as Consultant for _____.

Yours faithfully,

Signature _____
(Authorized Representative)

Full Name _____

Designation _____

Address _____

Schedule of Summary Price Proposal

Name of Activities	Currency	Amount	
		In Words	In Figures
Total Amount:			

Note: Breakdown of the total price shall be as per Appendix 2, page 3 of 8.

Breakdown of Summary Price

For Activity N^o: _____ Name: _____

Price Component	Currency	Amount
Remuneration for basic services		
Out-of-pocket expenses		
Computer software cost		
Miscellaneous expenses		
Subtotal:		

Note: The above form is to be filled up separately for each activity mentioned in Appendix 2, page 2 of 8.

Consolidated Summary for Remuneration in Respect of Basic Services

For Activity N^o: _____ Name: _____

Name	Position	Staff-Months	Monthly Rate	Total Amount Expected to be Paid
Total:				

- Note:**
1. Breakdown of the cost and charges for monthly rates is indicated in Appendix 2, page 5 of 8.
 2. This form is to be filled out separately for each activity mentioned in Appendix 2, page 2 of 8.

Out-of-Pocket Expenses

For Activity N^o: _____ Name: _____

S. N ^o	Nomenclature	Unit	Quantity	Unit Price	Total Amount
1.	Return flights between _____ and _____	Trip			
2.	Miscellaneous travel expenses	Trip			
3.	Subsistence allowance	Trip			
4.	Local transportation costs ¹				
5.	Office rent/accommodation/clerical asst.				
Total:					

Note: This is to be filled out separately for each activity mentioned in Appendix 2, page 2 of 8.

¹ Local transportation costs are not included if local transportation is being made available by Client. Similarly, in the Project site, office rent/accommodations/clerical assistance costs are not to be included if being made available by Client.

Computer Software Costs
(Inclusive of Licensing of Software)

For Activity N^o: _____ Name: _____

S1 N ^o	Software	Amount
1.		
2.		
3.		
4.		
Total:		

Miscellaneous Expenses

For Activity N^o: _____ Name: _____

S. N ^o	Nomenclature	Unit	Quantity	Unit Price	Total Amount
1.	Communication costs between _____ and _____ (telephone, telegram, telex)				
2.	Drafting, reproduction of reports				
3.					
4.					
5.					
Total:					

Note: This is to be filled out separately for each activity mentioned in Appendix 2, page 2 of 8.

Breakdown of Staff Month Rates
(See Addendum of LOI Data Sheet)

Name & Position <i>(a)</i>	Basic Salary per Month <i>(b)</i>	Social Charges <i>(c) = 2% of (b)</i>	Overhead <i>(d) = 2% of (b)</i>	Subtotal <i>(e)</i>	Fee (or Profit) <i>(f) = % of (e)</i>	Monthly Fixed Rate <i>(g) = (e) + (f)</i>

We hereby confirm that the basic salaries indicated above are taken from the organizational roll records and reflect the current salaries of staff members listed, which have not been raised except according to the normal annual salary increase policy as applied to all organizational staff. Factors for social charges and overhead are based on the firm's average billing and cost experiences for the latest three years as represented by the firm's financial statements.

Yours faithfully,

Signature _____

Full Name _____

Designation _____

STANDARD FORM OF CONTRACT

PREFACE

1. This standard contract for Consultants' Services has been prepared by the African Development Bank Group for use by its borrowers and their implementing agencies (referred to hereafter as Clients) when they hire consulting firms to provide services paid on the basis of lump sum remuneration. In such case, the use of this contract is mandatory for contracts financed partly or wholly by the African Development Bank Group.
2. Lump sum contracts are used when definition of the tasks to be performed is clear and unambiguous, when the commercial risk taken by the Consultants is minimal, and when therefore such Consultants are prepared to perform the assignment for an agreed predetermined lump sum price. Such price is arrived at on the basis of inputs, including rates, provided by the Consultants. The Client agrees to pay the Consultants according to a schedule of payments linked to the delivery of certain outputs, usually reports. A major advantage of the lump sum contract is the simplicity of its administration, the Client having only to be satisfied with the outputs without monitoring the staff inputs. Studies are usually carried out on a lump sum basis: for example, master plans, economic, sector, feasibility, engineering studies, and surveys.
3. The Contract includes four parts: the Form of Contract, the General Conditions of Contract, the Special Conditions of Contract, and the Appendices. The Client using this standard contract should not alter the General Conditions. Any adjustment to meet project features should be made only in the Special Conditions.

CONTRACT FOR CONSULTANTS' SERVICES

between

[name of the Client]

and

[name of the Consultants]

Dated: _____

I. FORM OF CONTRACT

Lump Sum Remuneration

This CONTRACT (hereinafter called the "Contract") is made the _____ day of the month of _____, 19____, between, on the one hand, _____(hereinafter called the "Client") and, on the other hand, _____ (hereinafter called the "Consultants").

[Note 1: If the Consultants consist of more than one entity, the above should be partially amended to read as follows:

..... (hereinafter called the "Client") and, on the other hand, a joint venture consisting of the following entities, each of which will be jointly and severally liable to the Client for all the Consultants' obligations under this Contract, namely, _____ and _____ (hereinafter called the "Consultants").]

WHEREAS

(a) the Client has requested the Consultants to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");

(b) the Consultants, having represented to the Client that they have the required professional skills, and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

(c) the Client has received [*or has applied for*] a loan from the African Development Bank²

Text in brackets is optional; all notes should be deleted in final text.

1

2 Substitute "African Development Fund" or "Nigeria Trust Fund" for "African Development Bank" where appropriate.

(hereinafter called the "Bank") towards the cost of the Services and intends to apply a portion of the proceeds of this loan [or grant] to eligible payments under this Contract, it being understood (i) that payments by the Bank will be made only at the request of the Client and upon approval by the Bank, (ii) that such payments will be subject, in all respects, to the terms and conditions of the agreement providing for the loan [or grant], and (iii) that no party other than the Client shall derive any rights from the agreement providing for the loan [or grant] or have any claim to the loan [or grant] proceeds;

NOW THEREFORE the parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:
 - (a) The General Conditions of Contract;
 - (b) The Special Conditions of Contract;
 - (c) The following Appendices:

[Note: If any of these Appendices are not used, the words "Not Used" should be inserted below next to the title of the Appendix and on the sheet attached hereto carrying the title of that Appendix.]

Appendix A: Description of the Services	_____	Not used
Appendix B: Reporting Requirements	_____	Not used
Appendix C: Key Personnel and Subconsultants	_____	Not used
Appendix D: Breakdown of Contract Price in Foreign Currency	_____	Not used
Appendix E: Breakdown of Contract Price in Local Currency	_____	Not used
Appendix F: Services and Facilities Provided by the Client	_____	Not used

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract, in particular:

- (a) the Consultants shall carry out the Services in accordance with the provisions of the Contract; and
- (b) the Client shall make payments to the Consultants in accordance with the provisions of the Contract.

IN WITNESS WHEREOF, the Parties hereto have caused this Contract to be signed in their respective names as of the day and year first above written.

FOR AND ON BEHALF OF
[CLIENT]

By _____
Authorized Representative

FOR AND ON BEHALF OF
[CONSULTANTS]

By _____
Authorized Representative

[Note: If the Consultants consist of more than one entity, all these entities should appear as signatories, e.g., in the following manner:]

FOR AND ON BEHALF OF EACH OF
THE MEMBERS OF THE CONSULTANTS

[Member]

By _____
Authorized Representative

[Member]

By _____
Authorized Representative

II. GENERAL CONDITIONS OF CONTRACT

1. General Provisions

1.1 Definitions

Unless the context otherwise requires, the following terms whenever used in this Contract have the following meanings:

a) "Applicable Law" means the laws and any other instruments having the force of law in the Government's country (or in such other country as may be specified in the Special Conditions of Contract (SC)), as they may be issued and in force from time to time;

b) "Bank" means the African Development Bank;

or

b) "Bank" means the African Development Fund;

or

b) "Bank" means the Nigeria Trust Fund;

c) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached, together with all the documents listed in Clause 1 of such signed Contract;

d) "Contract Price" means the price to be paid for the performance of the Services, in accordance with Clause 6;

e) "foreign currency" means any currency other than the currency of the Government;

f) "GC" means these General Conditions of Contract;

g) "Government" means the Government of the Client's country;

h) "local currency" means the currency of the Government;

- i) "Member", in case the Consultants consist of a joint venture of more than one entity, means any of these entities; "Members" means any of these entities, and "Member in charge" means the entity specified in the SC to act on their behalf in exercising all the Consultants' rights and obligations towards the Client under this Contract;
- j) "Party" means the client or Consultants, as the case may be, and "Parties" means both of them

1.2 Law Governing the Contract

This Contract, its meaning and interpretation, and the relation between the Parties shall be governed by the Applicable Law.

1.3 Language

This Contract has been executed in the language specified in the SC, which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices

Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telex, telegram, or facsimile to such Party at the address specified in the SC.

1.5 Location

The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations, whether in the Government's country or elsewhere, as the Client may approve.

1.6 Authorized

Any action required or permitted to be taken, and any document required or permitted to be executed, under this Contract by the Client of the Consultants may be taken or executed by officials specified in the SC.

1.7 Taxes and Duties

Unless otherwise specified in the SC, the Consultants, Subconsultants, and their Personnel shall pay such taxes, duties, fees, and other impositions as may be levied under the Applicable Law, the amount of which is deemed to have been included in the Contract Price

2. COMMENCEMENT, COMPLETION, MODIFICATION, AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract

This Contract shall come into effect on the date the Contract is signed by both parties or such other later date as may be stated in the SC.

2.2 Commencement of Services The Consultants shall begin carrying out the Services

The Consultants shall begin carrying out the Services thirty (30) days after the date the Contract becomes effective, or at such other date as may be specified in the SC.

2.3 Expiration of Contract

Unless terminated earlier pursuant to Clause 2.6, this Contract shall terminate at the end of such time period after the Effective Date as is specified in the SC.

2.4 Modification

Modification of the terms and conditions of this Contract, including any modification of the scope of the Services or of the Contract Price, may only be made by written agreement between the Parties and shall not be effective until the consent of the Bank or of the Fund, as the case may be, has been obtained.

2.5 Force Majeure

2.5.1 Definition

For the purposes of this Contract, “Force Majeure” means an event which is beyond the reasonable control of a Party and which makes a Party’s performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

2.5.2 No Breach of Contract

The failure of a Party to fulfill any of its obligations under the contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension of Time

Any period within which a Party shall, pursuant to this Contract, complete any action or task, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments

During the period of their inability to perform the Services as a result of an event of Force Majeure, the Consultants shall be entitled to continue to be paid under the terms of this Contract, as well as to be reimbursed for additional costs reasonably and necessarily incurred by them during such period for the purposes of the Services and in reactivating the Service after the end of such period.

2.6 Termination

2.6.1 By the Client

The Client may terminate this Contract, by not less than thirty (30) days’ written notice of termination to the Consultants, to be given after the occurrence of any of the events specified in paragraphs (a) through (c) of this Clause 2.6.1 and sixty (60) days’ in the case of the event referred to in (d):

- (a) if the Consultants do not remedy a failure in the performance of their obligations under the Contract, within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultants become insolvent or bankrupt;
- (c) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days; or
- (d) if the Client, in its sole discretion, decides to terminate this Contract.

2.6.2 By the Consultants

The Consultants may terminate this Contract, by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the events specified in paragraphs (a) and (b) of this Clause 2.6.2:

- (a) if the Client fails to pay any monies due to the Consultants pursuant to this Contract and not subject to dispute pursuant to Clause 7 within forty-five (45) days after receiving written notice from the Consultants that such payment is overdue; or
- (b) if, as the result of Force Majeure, the Consultants are unable to perform a material portion of the Services for a period of not less than sixty (60) days.

2.6.3. Payment upon Termination

Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultants:

- (a) remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
 - (b) except in the case of termination pursuant to paragraphs (a) and (b) of Clause 2.6.1, reimbursement of any reasonable cost incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependents.
-

3. OBLIGATIONS OF THE CONSULTANTS

3.1 3.1 General

The Consultants shall perform the Services and carry out their obligations with all due diligence, efficiency, and economy, in accordance with generally accepted professional techniques and practices, and shall observe sound management practices, and employ appropriate advanced technology and safe methods. The Consultants shall always act, in respect of any matter relating to this Contract or to the Services, as faithful advisers to the Client, and shall at all times support and safeguard the Client's legitimate interests in any dealings with Subconsultants or third parties.

3.2 Conflict of Interests

3.2.1 Consultants Not to Benefit from Commissions, Discounts, etc.

The remuneration of the Consultants pursuant to Clause 6 shall constitute the Consultants' sole remuneration in connection with this Contract or the Services, and the Consultants shall not accept for their own benefit any trade commission, discount, or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of their obligations under the Contract, and the Consultants shall use their best efforts to ensure that the Personnel, any Subconsultants, and agents of either of them similarly shall not receive any such additional remuneration.

3.2.2 Consultants and Affiliates Not to Be Otherwise Interested in Project

The Consultants agree that, during the term of this Contract and after its termination, the Consultants and their affiliates, as well as any Subconsultant and any of its affiliates, shall be disqualified from providing goods, works, or services (other than the Services and any continuation thereof) for any project resulting from or closely related to the Services.

3.2.3 Prohibition of Conflicting Activities

Neither the Consultants nor their Subconsultants nor the Personnel shall engage, either directly or indirectly, in any of the following activities:

- a) during the term of this contract, any business or professional activities assigned to them under this Contract; or
 - b) after the termination of this contract, such other activities as may be specified in the SC.
-

3.3 Confidentiality

The Consultants, their Subconsultants, and the Personnel of either of them shall not, either during the term or within two (2) years after the expiration of this Contract, or the Client's business or operations without the prior written consent of the Client.

3.4 Insurance to Be Taken Out by the Consultants

The Consultants (a) shall take out and maintain, and shall cause any Subconsultants to take out and maintain, at their (or the Subconsultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks, and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

3.5 Consultants' Actions Requiring Client's Prior Approval

The Consultants shall obtain the Client's prior approval in writing before taking any of the following actions :

- a) entering into a subcontract for the performance of any part of the Services,
- b) appointing such members of the of the personnel not listed by name in Appendix C ("Key Personnel and Subconsultants"), and
- c) any other action that may be specified in the SC.

3.6 Reporting Obligations

The Consultants shall submit to the Client the reports and documents specified in Appendix B in the form, in the numbers, and within the periods set forth in the said Appendix.

3.7 Documents Prepared by the Consultants to Be the Property of the Client

All plans, drawings, specifications, designs, reports, and other documents and software submitted by the Consultants in accordance with Clause 3.6 shall become and remain the property of the Client, and the Consultants shall, not later than upon termination or expiration of this Contract, deliver all such documents and software to the Client, together with a detailed inventory thereof. The Consultants may retain a copy of such documents and software. Restrictions about the future use of these documents, if any, shall be specified in the SC.

4. CONSULTANTS' PERSONNEL

4.1 Description of Personnel

The titles, agreed job descriptions, minimum qualifications, and estimated periods of engagement in the carrying out of the Services of the Consultants' Key Personnel are described in Appendix C. The Key Personnel and Subconsultants listed by title as well as by name in Appendix C are hereby approved by the Client.

4.2 Removal and/or Replacement of Personnel

- (a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If, for any reason beyond the reasonable control of the Consultants, it becomes necessary to replace any of the Key Personnel, the Consultants shall provide as a replacement a person of equivalent or better qualifications.
 - (b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) have reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultants shall, at the Client's written request specifying the grounds therefor, provide as a replacement a person with qualifications and experience acceptable to the Client.
 - (c) The Consultants shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.
-

5. OBLIGATIONS OF THE CLIENT

5.1 Assistance and Exemptions

The Client shall use its best efforts to ensure that the Government shall provide the Consultants such assistance and exemptions as specified in the SC.

5.2 Change in the Applicable Law

If, after the date of this Contract, there is any change in the Applicable Law with respect to taxes and duties which increases or decreases the cost of the services rendered by the Consultants, then the remuneration and reimbursable expenses otherwise payable to the Consultants under this Contract shall be increased or decreased accordingly by agreement between the Parties, and corresponding adjustments shall be made to the amounts referred to in Clauses 6.2 (a) or (b), as the case may be.

5.3 Services and Facilities

The Client shall make available to the Consultants the Services and Facilities listed under Appendix F.

6. PAYMENTS TO THE CONSULTANTS

6.1 Lump Sum Remuneration

The Consultant's total remuneration shall not exceed the Contract Price and shall be a fixed lump sum including all staff costs, Subconsultants' costs, printing, communications, travel, accommodation, and the like, and all other costs incurred by the Consultant in carrying out the Services described in Appendix A. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.

6.2 Contract Price

- (a) The price payable in foreign currency is set forth in the SC.
 - (b) The price payable in local currency is set forth in the SC.
-

6.3 Payment for Additional Services

For the purpose of determining the remuneration due for additional services as may be agreed under Clause 2.4., a breakdown of the lump sum price is provided in Appendices D and E.

6.4 Terms and Conditions of Payment

Payments will be made to the account of the Consultants and according to the payment schedule stated in the SC. The first payment shall be made against the provision by the Consultants of a bank guarantee for the same amount, and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions listed in the SC for such payment have been met, and the Consultants have submitted an invoice to the Client specifying the amount due.

6.5 Interest³ on Delayed Payments

If the Client has delayed payments beyond fifteen (15) days after the due date stated in the SC, interest shall be paid to the Consultants for each day of delay at the rate stated in the SC.

7. SETTLEMENT OF DISPUTES

7.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be submitted by either Party for settlement in accordance with the provisions specified in the SC.

3

It is important to note that the Bank does not pay interest charges resulting from delayed payments.

III. SPECIAL CONDITIONS OF CONTRACT

Number of Amendments of, and Supplements to, Clauses in the General Conditions of GC Clause** Contract

[1.1(a) The words "in the Government's country" are amended to read "in _____".

Note: Bank-financed contracts usually designate the law of the Client's country as the law governing the contract. However, if parties wish to designate the law of another country, the Bank will not object. In the former case, this Clause 1.1 (a) should be deleted; in the latter case, the name of the respective country should be inserted in the blank, and the square brackets should be removed.]

[1.1(i) The Member in Charge is _____.]

1.3 The language is _____.
Note: Specify English, French, or Spanish.

1.4 The addresses are:

For the Client: _____

Attention: _____

Telex: _____

Facsimile: _____

For the Consultants: _____

Attention: _____

Telex: _____

Facsimile: _____

** Clauses in brackets are optional; all notes should be deleted in final text.

1.6 The Authorized Representatives are:

For the Client: _____

For the Consultants: _____

[1.7 The Client warrants that the Consultants and their Personnel (as well as the Subconsultants and their Personnel) shall be exempt from any taxes, duties, fees, levies, and other impositions levied, under the Applicable Law, on the Consultants and the Personnel in respect of:

- (a) any payments made to the Consultants, Subconsultants, and the Personnel of either of them (other than nationals of the Government or permanent residents of the Government's country), in connection with the carrying out of the Services;
- (b) any equipment, materials, and supplies brought into the Government's country by the Consultants or Subconsultants for the purpose of carrying out the Services and which, after having been brought into such territories, will be subsequently withdrawn therefrom by them;
- (c) any equipment imported for the purpose of carrying out the Services and paid for out of funds provided by the Client and which is treated as property of the Client;
- (d) any property brought into the Government's country by the Consultants, any Subconsultants, and the Personnel of either of them (other than nationals of the Government or permanent residents of the Government's country) for their personal use and which will subsequently be withdrawn therefrom by them upon their respective departure from the Government's country.

Note: While the Bank does not reimburse payments for duties and taxes levied by the borrowing country (see Section 5.08 of the General Conditions Applicable to Loan and Guarantee Agreements), it leaves it to the Client to decide whether the Consultants (a) should have to pay levies of this kind without reimbursement by the Client (case (i)), (b) should be exempted from any such levies (case (ii)), (c) should be reimbursed by the Client for any such levies they might have to pay (case (iii)), or (d) should pay such levies on behalf of the

Consultants and the Personnel (case (iv)). In the first case, Clause 1.7 should be deleted from the SC; in the second case, Clause 1.7 above should be retained in the SC; in the third and fourth cases, the first and second line of Clause 1.7 above should be further amended to read:

(case (iii))

“that the Client shall reimburse the Consultants and the Personnel for”

or

(case (iv))

“that the Client shall pay on behalf of the Consultants and the Personnel”.]

[2.1 The date on which this Contract shall come into effect is: _____

Note: the date may be specified by reference to conditions of effectiveness of the Contract, such as approval of the Contract by the Bank, effectiveness of Bank Loan or grant, receipt by Consultants of advance payment and by Client of bank guarantee (see Clause 6.4), etc.]

[2.2 The date for the commencement of Services is _____.]

2.3 The period shall be _____ *Note: Fill in the period, e.g., twenty-four (24) months or such other period as the parties may agree in writing.*

[3.2.1 *Note: The following should be inserted in the SC or alternatively in Appendix A if the Consultants are advising the Client on the procurement of goods, works, or services:*

“Procurement Rules of Funding Agencies

Furthermore, if the Consultants, as part of the Services, have the responsibility of advising the Client on the procurement of goods, works, or services, the Consultants shall comply with any applicable procurement guidelines of the Bank or of the Association, as the case may be, and other funding agencies and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultants in the exercise of such procurement responsibility shall be for the account of the Client.”]

[3.2.3 *Note: It is essential that Consultants who advise Clients on the privatization of state-owned enterprises or other assets (or on related problems), be*

prohibited from “switching sides” upon completion of their assignment and then either appearing as purchaser of these enterprises/assets or advising potential purchasers in this context. In these situations, the following provision must be added to Clause 3.2.3:

“For a period of two years after the expiration of this Contract, the Consultants shall not engage, and shall cause their Personnel as well as their Subconsultants and their Personnel not to engage, in the activity of a purchaser (directly or indirectly) of the assets on which they advised the Client under this Contract, nor shall they engage in the activity of an adviser (directly or indirectly) of potential purchasers of such assets.”]

- 3.4 The risks and coverage shall be:
- (i) Third Party motor vehicle _____
 - (ii) Third Party liability _____
 - (iii) Employer’s liability and workers’ compensation _____
 - (iv) Professional liability _____
 - (v) Loss or damage to equipment and property _____

[3.5(c) *Note: Delete where not applicable.*]

The other actions are _____.

[3.7 *Note: If there is to be no restriction on the future use of these documents by either Party, this Clause 3.7 should be deleted from the SC. If the Parties wish to restrict such use, any of the following options, or any other option agreed to by the Parties, may be used, such as the following:*

- “The Consultants shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Client.”
- “The Client shall not use these documents for purposes unrelated to this Contract without the prior written approval of the Consultants.”
- “Neither Party shall use these documents for purposes unrelated to this

Contract

without the prior written approval of the other Party.”]

[5.1 *Note: List here any assistance or exemptions that the Client may provide under Clause 5.1. If there is no such assistance or exemptions, state “not applicable”.*]

6.2 (a) The amount in foreign currency or currencies is_____.

6.2 (b) The amount in local currency is _____.

6.4 The accounts are:
for foreign currency: _____
for local currency: _____

Payments shall be made according to the following schedule:

*Note: (a) the following installments are indicative only; (b) if the payment of foreign currency and of local currency does not follow the same schedule, add a separate schedule for payment in local currency; (c) "commencement date" may be replaced with "date of effectiveness"; and (d) if applicable, detail further the nature of the report evidencing performance, as may be required, e.g., submission of study or specific phase of study, survey, drawings, draft bidding documents, etc., as listed in Appendix B, **Reporting Requirements**. In the example provided, the bank guarantee for the repayment is released when the payments have reached 50 percent of the lump sum price, because it is assumed that at that point, the advance has been entirely set off against the performance of services.*

- Twenty (20) percent of the Contract Price shall be paid on the commencement date against the submission of a bank guarantee for the same.
 - Ten (10) percent of the lump sum amount shall be paid upon submission of the inception report.
 - Twenty-five (25) percent of the lump sum amount shall be paid upon submission of the interim report.
-

- Twenty-five (25) percent of the lump sum amount shall be paid upon submission of the draft final report.
- Twenty (20) percent of the lump sum amount shall be paid upon approval of the final report.
- The bank guarantee shall be released when the total payments reach fifty (50) percent of the lump sum amount.

Note: This sample clause should be specifically drafted for each contract.

6.5 Payment shall be made within _____ days of receipt of the invoice and the relevant documents specified in Clause 6.4, and within _____ days in the case of the final payment.

Note: specify, e.g., “forty-five (45) days”, and, in the case of the last payment, “sixty (60) days”.

The interest rate is _____.

7.2 Any dispute, controversy, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force.

Note: If the Consultant is a national of the Government’s country, this provision should be modified and referred to the Government country’s rules for settlement of disputes.

IV. Appendices

APPENDIX A

DESCRIPTION OF THE SERVICES

Give detailed descriptions of the Services to be provided, dates for completion of various tasks, place of performance for different tasks, specific tasks to be approved by Client, etc.

APPENDIX B

REPORTING REQUIREMENTS

List format, frequency, and contents of reports; persons to receive them; dates of submission; etc. If no reports are to be submitted, state here "Not applicable".

APPENDIX C

KEY PERSONNEL AND SUBCONSULTANTS

List under:

C-1 Titles [and names, if already available], detailed job descriptions and minimum qualifications of foreign Personnel to be assigned to work in the Government's country, and staff-months for each.

C-2 Same as C+1 for Key foreign Personnel to be assigned to work outside the Government's country.

C-3 List of approved Subconsultants (if already available); same information with respect to their Personnel as in C+1 or C+2.

C-4 *Same information as C+1 for Key local Personnel.*

APPENDIX D

BREAKDOWN OF CONTRACT PRICE IN FOREIGN CURRENCY

List here the elements of cost used to arrive at the breakdown of the lump sum price, foreign currency portion:

- 1. Monthly rates for Personnel (Key Personnel and other Personnel).*
- 2. Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX E

BREAKDOWN OF CONTRACT PRICE IN LOCAL CURRENCY

List here the elements of cost used to arrive at the breakdown of the lump sum price, local currency portion:

- 1. Monthly rates for Personnel (Key Personnel and other Personnel).*
- 2. Reimbursable expenditures.*

This appendix will exclusively be used for determining remuneration for additional services.

APPENDIX F

SERVICES AND FACILITIES PROVIDED BY THE CLIENT